

# IOWA STATE UNIVERSITY

## Digital Repository

---

Volume 9 | Issue 7

Article 3

---

2015

## Cash rental rates continue to climb in 2005

William Edwards

Follow this and additional works at: <http://lib.dr.iastate.edu/agdm>



Part of the [Agribusiness Commons](#)

---

### Recommended Citation

Edwards, William (2015) "Cash rental rates continue to climb in 2005," *Ag Decision Maker Newsletter*: Vol. 9: Iss. 7, Article 3.  
Available at: <http://lib.dr.iastate.edu/agdm/vol9/iss7/3>

This Article is brought to you for free and open access by the Agriculture and Natural Resources at Digital Repository @ Iowa State University. It has been accepted for inclusion in Ag Decision Maker Newsletter by an authorized administrator of Digital Repository @ Iowa State University. For more information, please contact [digirep@iastate.edu](mailto:digirep@iastate.edu).



## Cash rental rates continue to climb in 2005

by William Edwards, extension economist, (515) 294-6161, [wedwards@iastate.edu](mailto:wedwards@iastate.edu)

Cash rental rates for Iowa farmland continued to rise modestly in 2005. Survey results from Iowa State University Extension estimated the average cash rent for corn and soybean land in the state to be \$135 per acre, compared to \$131 in the 2004 survey. All of the 12 areas in Iowa that were surveyed showed increases, ranging from \$2 to \$7 per acre. Central Iowa had the highest increase over last year, while the highest rents were reported in the east central region.

The most positive factor affecting rents was the record corn yields recorded over much of the state in 2004. Soybean production was much improved over 2003, as well. To some extent cash rental rates follow land values, which have remained strong in 2005. Unlike land sales, however, cash rents are not affected much by low interest rates or competition from nonfarm uses.

Lower grain prices and increased production costs may cause potential renters to be less aggressive about cash rent bids for 2005. Concerns about Asian rust affecting soybean yields add another negative factor to the market.

The latest survey also presents typical dollars of rent per bushel of corn and soybean yield for each county, based on the county

average yield for each crop during the last 10 years. This year the rent per bushel ranged from \$.87 to \$1.01 for corn and from \$2.86 to \$3.23 for soybeans. Rents per bushel were higher in areas with higher grain prices, and lower in the southern third of the state. The survey also includes typical rental rates for land producing oats, hay and pasture.

Estimates of rental rates were based on survey responses from over 900 tenants, landowners, farm managers, lenders and other people familiar with the land market. A complete summary of the 2005 "Cash Rental Rates for Iowa" is available at: <http://www.extension.iastate.edu/agdm/wholefarm/html/c2-10.html>.

Survey results are intended to be used as guidelines, only. The appropriate rent for an individual farm should take into account factors such as fertility levels, USDA program parameters, size and shape of fields, existence of seed production or manure application contracts, local grain prices, and other services provided by the tenant. Ag Decision Maker file C2-20 (<http://www.extension.iastate.edu/agdm/wholefarm/html/c2-20.html>) has more discussion about how to determine a fair cash rent. An electronic decision aid worksheet is included.

*Updates, continued from page 1*

### Internet updates

In addition to the Handbook updates, the following updates have been added to [www.extension.iastate.edu/agdm](http://www.extension.iastate.edu/agdm).

### A Grower's Perspective on ISO-C5-151 (3 pages)

#### ... and justice for all

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Many materials can be made available in alternative formats for ADA clients. To file a complaint of discrimination, write

USDA, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call 202-720-5964.

Issued in furtherance of Cooperative Extension work, Acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture. Stanley R. Johnson, director, Cooperative Extension Service, Iowa State University of Science and Technology, Ames, Iowa.

#### Permission to copy

Permission is given to reprint ISU Extension materials contained in this publication via copy machine or other copy technology, so long as the source (Ag Decision Maker Iowa State University Extension) is clearly identifiable and the appropriate author is properly credited.